Bailout package for SAIL

1361. SHRI C. RAMACHANDRAIH: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that SAIL has sought a bailout package worth Rupees 5059 crores

(b) whether it is also a fact that SAIL proposes to hive off power plants, fertilizers plants etc. for Rupees 2600 crores;

(c) to what extent a bailout package for SAIL would help in making SAIL reasonably viable for a modest period of time;

(d) whether any assurance has been given by SAIL on future requirements of cash-infusions; and

(e) the full details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) Yes Sir, Steel Authority of India Limited (SAIL) has submitted a proposal for financial restructuring to the Government.

(b) SAIL is considering to separate identified power plants into a subsidiary power company with 51% SAIL equity.;

(c) The proposed financial restructuring of SAIL envisages recurring positive impact on the profitability of SAIL. It would reduce the financial risk by reducing debt-equity ratio and improve debt servicing capability;

(d) and (e) SAIL has planned an outlay of Rs. 1107 crores for 1999-2000 towards on-ongoing modernisation and other essential capital schemes. The details of major programmes are as under:—

PLANT	SCHEMES	OUTLAY (RS/CR)
Bhilai Steel Plant	SSP-III	100.40
	RH Degassing Facilities	40.07
	Repl. needs of P. Mill	15.00
Durgapur Steel Plant	Modernisation	51.59
	Reconstruction of BF-3	5.00
Rourkela Steel Plant	Modernisation	260.3
	Renovation of COB-5	22.66
	Oven Machine for COB-5	13.0
Bokaro Steel Plant	CCD & Modernisation	148.30
	Repl. of 100 ATA Main Steam Pipeline	21.06
Visvesvaraya Iron & Steel Limited	BF Gas based on 7.5 MW CPP	10.36
	Other AMR Schemes	419.23
	Total	1107.00